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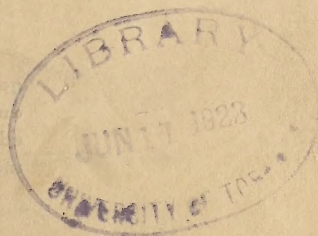
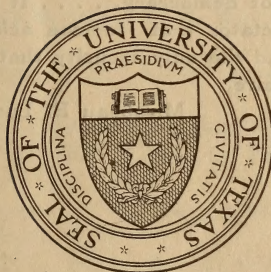
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Open Shop vs. Closed Shop

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The benefits of education and of useful knowledge, generally diffused through a community, are essential to the preservation of a free government.

Sam Houston

Cultivated mind is the guardian genius of democracy. . . . It is the only dictator that freemen acknowledge and the only security that freemen desire.

Mirabeau B. Lamar

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United States Bureau of Labor Statistics, Washington, D. C.

Open Shop Associations of Dallas, San Antonio, Houston, Austin, Beaumont, and other Texas cities.

The National Association of Manufacturers of the United States of America, 170 Broadway, New York. (This organization publishes and distributes free of charge a large number of pamphlets opposing the closed shop and unionism in general).

Bureau of Public Information, American Federation of Labor, Washington, D. C.

The Package Loan Library, University of Texas, Austin, Texas.

BRIEF OF ARGUMENTS

INTRODUCTION

The importance of the open shop question cannot be overestimated. The conflict between organized capital and organized labor is the greatest question before the people of every civilized nation in the world; beside it the petty struggles over Danzig, Fiume, Alsace-Lorraine, or Shantung pale into insignificance.

In the United States in particular, the war conditions caused a marked rejuvenation of union labor sentiment. Most unions added large numbers of new men to their rolls and the principles of unionization were accorded greater recognition than ever before. Apparently in reply to these war-time successes there has grown up a movement for the open shop. By its advocates, the open shop is denominated a "square deal" for every working man; by its opponents, it is condemned as an effort completely to destroy the unions together with all the achievement which these unions have gained in the past. The gauntlet has been thrown down by the numerous open shop associations of the United States; the American Federation of Labor has not hesitated to accept the conflict.

In view of these facts one can readily see the importance and timeliness of the following question:

Resolved, that the movement for an open shop in Texas should receive the support of public opinion.

For the purposes of the debate the following definitions of terms are made:

An open shop is one in which union men and non-union men may work side by side on equal terms.

A closed shop is one in which only union men are employed.

This compilation was prepared by Charles A. Gulick, Jr.

Issued in August, 1920, but numbered in the 1918 series in order to complete the series for that year in conformity with postal requirements.

AFFIRMATIVE

The open shop movement in Texas should be supported, because

- I. The closed shop is unjustifiable, for
 - A. It tends to crowd down the best men to the level of the poorest.
 - B. It restricts the number of apprentices.
 - C. It limits output.
 - D. Its advocates too often resort to violence.
- II. The open shop is in accord with our ideals of democracy, for
 - A. It guarantees to the workman his constitutional rights of personal liberty and freedom of contract, for
 1. In the open shop he does not have to abide by the dictates of a union.
 - B. It gives every man an opportunity to work without charging him the exorbitant fees and dues that the union man has to pay.
- III. The open shop does not tend to destroy the principle of collective bargaining, for
 - A. Experience proves that collective bargaining does not necessitate the exclusion of the non-union men, for
 1. Collective bargaining may be secured and maintained better by free labor than by the compulsion upon both non-union men and employers which so often features the closed shop.
- IV. The open shop is most advantageous to employers, for
 - A. It does not lay any restriction upon them in the choice of workmen, in the purchase of material, in the number of apprentices, or in the output.
- V. The open shop is most advantageous to the general public, for
 - A. It prevents one class from securing a stranglehold on the nation.

NEGATIVE

The movement for an open shop in Texas should not receive the support of public opinion in Texas, because

- I. The principles of trade unionism are fundamentally sound, for
 - A. Modern industrial conditions require labor to organize, for
 1. Capital is aggressively organized.
 2. The old "master and servant" conception of labor is dead; collective bargaining is necessary.
 - B. The employer has no right to manage his business as he pleases, for
 1. The employer and the employee are partners in a common enterprise.
 2. The employee has a right to a voice in determining the conditions under which he shall work.
 3. The employee has a right to share in the prosperity of the business when it is prosperous, as he is certain to share in its adversity when it is unprosperous.
 - C. Unions increase the efficiency of labor, for
 1. They require definite periods of training.
 - D. Unionization is the only sure way for the worker even partially to keep up with the increasing cost of living, for
 1. Statistics prove that the wages of union men have not lagged nearly so far behind higher prices as have those of non-union men.
 - E. Unions, while aiding themselves, have advanced the best interests of society, for
 1. They have fought for and secured a great deal of beneficial legislation relating to woman and child labor, hours of work, the sweat shop, etc., etc., for
 - a. Their legislative record in Congress and State Legislatures proves this.

- II. The open shop means the destruction of unionism, for
 - A. In the open shop employers can and do use non-union men, particularly cheap foreign labor, to crush the unions, for
 - 1. This is the experience of the unions in the garment makers' trade, the steel industry, and the anthracite coal mining industry.
 - B. The open shop destroys the effectiveness of collective bargaining and trade agreements, for
 - 1. They can not be maintained without complete unionization of the shop, for
 - a. Non-union men will not observe agreements made by the union.
 - C. The open shop would enable those laborers who did not appreciate their obligations to their fellow-workmen to secure the benefits of the unions without sharing in the work of securing and maintaining those benefits.
- III. The money to support the open shop movement is being supplied by employers, for
 - A. The Chambers of Commerce throughout the country are supporting the open shop.
 - B. Judge Gary of the United States Steel Corporation recently contributed \$500,000 to the open shop campaign.
- IV. The social consequences of the open shop are most pernicious, for
 - A. The establishment of the open shop results in actual or potential serfdom, for
 - 1. Workers have been forced to accept lower wages, longer hours, and poorer working conditions; to live in "company" houses; to buy only at "company" stores, for
 - a. This was exactly the experience of the miners when the unions were forced out of the coal mining industry of Pennsylvania.

- V. The closed shop has demonstrated its superiority, for
- A. It has given the workers higher wages, shorter hours, and better working conditions.
 - B. It has given the employer better workmen and more industrial stability.
 - C. It has given the public a steady market and normal prices.

GENERAL DISCUSSION

THE OPEN SHOP VERSUS THE CLOSED SHOP

F. W. Taussig, *Principles of Economics*, II, 269

The most hotly debated question regarding unionism concerns the closed shop. Shall all workmen be brought together in unions, and all bargains as to wages arranged by union representatives? Shall non-union men be virtually forced to join the organizations, by being shut out from employment unless they do so? The alternative is the open shop, in which the employers deal with the laborers individually, or at least deal with them irrespective of their being members of the union.

Evidently the closed shop is a powerful weapon in support of the union of the monopolistic type. If the members not only refuse to admit newcomers to their ranks, but refuse to work in a shop with them, the difficulties of getting outsiders, even though these be tempted by exceptionally high wages, are very great. In almost all enterprises, the employer needs a trained and coordinated staff. If the union men leave in a body whenever he employs an outsider, he must substitute another full complement. Even if the work is not very difficult to master, and if plenty of outsiders are attracted by the wages offered, it is at the least a troublesome matter to break them in. If the trade be a skilled one and training in it hard to secure, the union, insisting on the closed shop, has the situation well in hand. Only extravagant demands will lead the employer to break with them. Ordinarily he will prefer to join with them, pay high wages to keep them content, and reimburse himself by high prices to purchasers. There is an obvious limit to this process, in the conditions of demand among the purchasers; but if the union also limits access to its ranks by restrictions on apprentices and the like measures, it may find in the closed shop a cause—though in a large part also the result—of a profitable monopoly position.

Suppose, however, that with the closed shop there is the open union. This would remove at least one of the evils ascribable to the closed shop,—the creation, or at least reenforcement, of a monopoly. If all qualified applicants were admitted in good faith to the union, the primary effect of the closed shop would be simply to enforce collective bargaining. No contracts with individual workmen would then be made. All bargains on wages and the conditions of labor would be concluded through union delegates; but these would represent not any restricted knot of workmen, but simply all who were at work in the trade or establishment.

The case, so stated, is *prima facie* in favor of the closed shop. So much follows from what has been said of the gains secured through unions by laborers. They get better terms by bargaining in this way. They are the most numerous and the most needy members of our modern societies; what improves their condition increases most surely the sum of human welfare.

Let us consider more closely, however, the industrial situation as it would be if the closed shop were universal. A great power would be in the hands of the workmen or of their representatives. That power would be by no means confined to questions of rates of wages. The very settlement of wages involves many other things; not only wages and hours, but the mode of payment, penalties, fines, and numberless details of administration and discipline. Where a trade agreement is drawn up between the representatives of employers and employees, it is never a simple contract dealing with wages alone; it covers necessarily a multitude of matters of organization. In any case, if we imagine the closed shop to be universally established, one fundamental question is settled for the employer. He has no alternative as to whom he shall employ. It must be members of the union or no one. A strike then simply means complete cessation of operations, and a mere process of waiting until one side or the other is worn out. This, indeed, is what most workmen think a strike (an entirely "fair" as well as peaceable one) ought to be. They do not regard it as a simple

difference about terms, in which one party, unwilling to accept an offer, stands aside and lets the other party make the offer elsewhere. Their attitude—implied rather than explicitly stated—is that no “outsider” should interfere, and that the places should be kept open for them until they or the employers tire of idleness and finally come to terms of some sort.

The question of whether the closed shop, with the open union, is to the advantage of society, depends on the use which the workmen make of the power which it would give them. If used simply to strengthen bargaining power and prevent exploitation (in the narrower sense in which that term is here applicable), unalloyed good ensues to the workmen. But if used to hamper industry, there is much evil also; and, unfortunately, in the present state of mind of workmen and their leaders, there is so much reason for expecting evil of this sort that no dispassionate observer, however strong his sympathies with laborers, can look forward to the universal closed shop without grave misgiving. The grounds for this feeling need some further explanation.

The outcome of the universal closed shop, or, in other words, of universal unionism, can be judged from a consideration of the policies now followed by the unions. It can not, indeed, be judged with certainty, since the conditions would be different from those of partial unionization. But unfortunately there is little ground for expecting that the men’s attitude and temper would be altered; nay, rather, they would become more set, and more obstructive to progress and general wellbeing.

The inevitable attitude of the hired workman, as already remarked, is to favor arrangements that seem to make work and to oppose those that seem to lessen work. Every improvement, every labor-saving device, means some shifting and readjustment, and hence commonly entails hardship,—perhaps temporary, but hardship none the less. Once settled in a job, the workman wishes it to last.

One familiar manifestation of this attitude is the limitation of output; that is, the limitation of the amount a man

shall accomplish in a given time, as, for example, the number of bricks he shall lay in a day. Such restriction is often defended on the ground that it prevents "driving,"—the requirement of excessive stints by employers. Very likely there is a case to be made in favor of it on this ground. But in the great majority of instances it is simply a mode of making the job last, and so a check on vigor and efficiency. It lessens the product of industry. Moreover, it saps the spirit of willing and cheerful activity, and so contributes still more to those factors—in any case many and unfavorable—that make labor irksome.

So it is as regards piecework. The workmen, individually or when gathered in unions, oppose it. Here, too, the ostensible ground of opposition is often that piecework leads to "driving." The rate of pay is alleged to be based on the capacity of some unusually strong or skilled workman, which is then used by the employer as a ground for urging the average man to extreme exertion. Beyond doubt it happens that piecework is thus used as a device for getting too much work, or at all events more work at the same pay; and this supplies one instance more of the individual laborer's disadvantages in bargaining. But, after all, the underlying feeling about piecework is that it increases efficiency, and so seems to lessen the amount of work to be done.

Something of the same sort appears in the demand for a standard rate of wages; though in this case much more is to be said in favor of the trade-union policy. Strictly speaking, that policy is for establishing not a standard but a minimum rate, less than which no member may accept. In practice, however, the minimum rate is apt to be the uniform rate. The general drift among trade-unions is against differences, and so against any higher scale of wages for the capable and strenuous. This drift may be due partly to a widespread egalitarian feeling, a vague questioning of the intrinsic righteousness of that adjustment of reward to efficiency which follows from the strict individualistic principle. But largely it is due to the same feeling that underlies limitation of output and opposition to piece pay,—a fear that the

highly paid man will accomplish much ,and so will leave less work to do for the rest.

On the other hand, the unflinching adherence to a standard rate, and even to a uniform rate, is to be defended on the ground that it strengthens bargaining power. In the absence of a uniform scale, many an employer will try to whittle away a rate that is supposed to be established, by special agreement made with (and in practice perhaps forced upon) a particular workman or set of workmen. Any sort of discrimination or classification, though ostensibly in favor of the highly efficient, gives color to the charge of discrimination against those who are supposed to be less efficient, but who in fact may be simply less able to resist. It is probable, moreover, that the differences in individual capacity between able-bodied manual workmen are not very great, and that the deadening influence which is alleged to be exerted by the standard-rate policy is, in practice, no great matter. Hence this policy, much as it has been condemned by those who see only the bad side of unionism, has probably done little to fetter general efficiency, and has done something to aid the unions to maintain themselves against covert attack.

The opposition to labor-saving improvements and machinery rests unmistakably on the same ground as underlies more obscurely limitation of output and opposition to piece-work,—namely, the dread of unemployment. All hired workmen (barring perhaps agricultural laborers under some conditions) dread such improvements. In the old days, they rioted, and destroyed the hated competitors. In modern times, a silent, stolid resistance is apt to appear, with a half-conscious endeavor to prevent the new devices from working successfully. It is true that many labor leaders and labor unions have given up the policy of opposing improvements and machines, and advise the members to accept them and to become proficient with them; but this is simply because they submit to what experience has shown to be in the long run inevitable. If the closed shop were the universal rule, no entering wedge would exist for compelling acceptance of the better methods.

The attitude both of employers and workmen, as regards inventions and improvements, is naturally that of trying to appropriate, each party for itself, the whole gain. The employers try to hire the men at the existing rates of pay, to sell the products for the existing prices, and to pocket a higher profit. The men—once they have made up their minds to accept the new ways—try to get for themselves part of the gain. Neither party thinks of the public, and each is apt to talk of the “justice” of having the benefit go to one or the other. Justice, in the sense of promotion of general wellbeing, demands that the gain shall go to the community, in the form of more abundant production and lower prices; which, of course, is the result of competition among the producers, and especially among the employers. If there is not competition but monopoly, the workmen might as well gain as the employers. But all experience shows that the benefit from improvements, though accruing first as higher profits to the innovating capitalists, in time filters through to the community. On the other hand, but for the prospect of such higher profits (for a longer or shorter interval) employers would have no inducement to work out the improvements. In this case, it may be said that the employers, rather than the workmen, are “entitled” to the gains of the period of transition. Stated more simply and with less misleading phrase, the truth is that the immediate interests of the employers are more in accord with those of the public than are those of any one group of workmen.

The same general remarks are to be made of the attitude of workmen and unions toward discipline. The large-scale industries of our day call for semi-military organization,—for punctuality, prompt obedience, submission to orders. Discipline in the employers’ hands rests on the power of discharge. That power the workman naturally resents—as naturally as he resents machinery that threatens to deprive him of work. The strong union tends to hamper it, and the universal closed shop would tend still more to hamper it. (All depends on the character, intelligence, temper, of the men. But the clannishness of class, and the sympathy of

the great majority of men in all walks of life for those who have been "caught," make it too probable that the needful sternness of punishment by discharge would be broken down.

No doubt, something is to be said in favor of limiting to some degree the employer's right to discharge. The humane employer always uses it reluctantly. The inhumane or tyrannical or hot-tempered employer often abuses it. The workman has a right to be protected from sudden unemployment because of mere caprice, or ungrounded accusation, or trivial breach of discipline, or activity on behalf of his fellows. The superintendents and foremen who deal directly with the rank and file in large enterprises not infrequently have the vices of the noncommissioned officer; sometimes are brutal, sometimes corrupt, sometimes spiteful. An appeal from their decision, a fair hearing as to the ground of discharge, is reasonably demanded, and is reasonably backed by a union. In adjusting such questions, there is much to be said in favor of having an established court (like the French *conseils de prudhommes*), or a settled arrangement for conference with representatives of the men. Unfortunately, if the workmen have that full command of the situation which the universal closed shop would give, something more than a fair hearing is likely to be demanded. The power of discharge would be not merely kept within bounds, but destroyed.

Of the various objectionable policies of the trade unions, those which hamper progress seem to have had most effect in Great Britain, those which fetter discipline most in the United States. In the former country, trade unions have reached their fullest development, and collective bargaining is most widely practiced. In many British trades, it no longer occurs to any one that the individual workman shall bargain with the employer; all is done through the union. But this growth, in many ways gratifying, does seem to have been accompanied in Great Britain by a check on progress, chiefly through limitation on output and silent but effective opposition to labor-saving appliances. The failure of Great

Britain to maintain her former leadership in some industries, such as that of iron and steel making, is due in part to trade-union policies which have put a brake on progress. In the United States, this sort of influence has been little felt; partly, perhaps, because of the ingrained habit of accepting and welcoming improvements, but probably in a larger part because unionism has hardly ever had complete sway in any industry. A demoralization of discipline has been much more common in his country, especially in railways and similar industries, and has had much more serious effects.

This prolonged discussion leads, so far as the closed shop is concerned, to a compromise result. It is undesirable, with the present temper and intelligence of the workmen, that they should have that degree of control which the universal closed shop would give. The situation as it actually stands in many industries in the United States is not unsatisfactory, —partly open shops, partly closed shops. The existence of the open shops prevents the unions from carrying their policies to the point of harmful restriction; they must face the competition of the unfettered establishments. The existence of the closed shops prevents the employers from abusing the advantage which they have in dealing with unorganized workmen; they must face the possibility of unionization.

It seems to be better, however, that no individual shop should be half open and half closed,—employing half union men and half non-union. Employers sometimes take the position that while they will make no opposition to union membership on the part of their men, they will not accede to the strict closed shop, which would compel all to join the union as a condition of being employed. But this plan of letting men do as they please—join or not join—rarely works well. So eager and vehement is the unionist spirit that where the movement has once taken hold, there is constant nagging of the non-union men. Their lives, and the lives of their wives and children, are apt to be made miserable. Better one thing or the other,—either the closed shop, with the possibility that the employers will “smash the un-

ion" if it becomes intolerably restrictive; or the open shop, with the possibility that the employees will strike and unionize if they are not dealt with fairly.

This sort of compromise conclusion is equally unwelcome to both sides. Unionism is the gospel of the labor leaders. It has the sympathy of the great mass of the workmen, whether they be unionists or not; its universal extension is their goal. To most employers, on the other hand, unions and closed shops are an anathema, and in fighting for the open shop they believe they are acting not only in their own interests, but for the better social order. Even the most humane and public-spirited among employers commonly have this feeling. The bitter opposition with which such employers face the union movement is no doubt due in part to the mistakes and extravagances of the workmen; extravagances not only in their endeavors to restrict and control, but in their bearing and temper. The union leader, if he thinks he has the situation in hand, feels the itch of power and gives his orders in terms which the employer finds intolerable. But in no small part the resentment of the employer arises from his own love of power. Human nature plays its part on both sides, often more than any close weighing of gains and losses. The generous-minded employer, disposed to do the best he can for his men, yet wishes to do it in his own way. He likes to have a patriarchal position; and precisely this is what the workmen tend more and more to resent. They wish to be dealt with as equals, and to feel that they are in a position to command such treatment. No doubt, the business man who is tactful as well as humane, who meets his employees as men, and who has enough ability and success to be able to pay full market wages without bickering, can carry on the open shop indefinitely without ever having trouble. It is well that a good part of the community's industry should remain under the leadership of men of this type. But even the best of men are better when they know that it is politic to be good, and the best of employers run the open shop better when they know that the closed shop is a possibility. A

great many employers are not of the best type, and as regards them the closed shop is a needed alternative.

A common contention among employers opposed to unionism is that they will deal only with their own men, not with any outsider. In this respect they seem to be quite in the wrong; or, to state it more carefully, the balance of social advantage is against such a procedure. The workmen clearly gain by having their case in charge of chosen representatives, whether or no these be fellow employees; and collective bargaining and unionization up to this point surely bring no offsetting disadvantages to society. As to the immediate employees, there is often a real danger that he who presents a demand or grievance will be "victimized." He will be discharged and perhaps blacklisted; very likely on some pretext, but in fact because he has "made trouble." Further, the ability to state and argue the workmen's case, and to negotiate with success, is possessed by few. No doubt, it often happens that the labor representatives do not themselves have the needed ability or understanding, and are inconvenient persons to deal with. Sometimes, as has already been remarked, they feel the itch of power, and like to pose as persons whose orders must be obeyed. But they are the best the men can find, and in the long run it is advantageous that they, rather than immediate employees, should conduct negotiations. The only case in which an employer is clearly justified, on grounds of social advantage, in refusing to deal with them, is where they are corrupt. This case, unfortunately, is not unknown—when labor leaders are willing to be bribed; though the cases are quite as common where the employers are willing to bribe. The fact that a labor representative is found to be a blatant demagogue, or to present impossible demands, may be reason for promptly closing negotiations, but is no ground for refusing to meet him if once he has been chosen by the workmen to be their spokesman.

AFFIRMATIVE ARGUMENTS

FREE SHOPS FOR FREE MEN

William H. Pfahler

The demand for the union shop presents to the employer the following dangers which are incorporated in the written or unwritten laws of almost every labor union: (1) The surrender of the privilege of selecting his employees to a committee who recognize no standard of efficiency but membership in the union. "No card, no work," is the rule. (2) The necessity of discharging old and faithful employees who claim to be free men and who refuse to join the union. (3) The discharge of the foreman or the superintendent who, in the performance of his duties, may have offended the walking delegate or shop committee. (4) The limitation of apprentices to a ratio established by the union in many cases fifty years or more ago and retained in force regardless of any change in conditions or requirements. (5) The opposition to the introduction of labor saving machines, designed in most cases to relieve the skilled man from the strain of labor and to increase his efficiency with reduced energies, as well as to increase production in ratio to the wants of an increased population and to reduce the cost to the consumer. (6) The limitation of the earning capacity of the industrious workingman to the standard of the lazy and incompetent. (7) The obstruction to every plan of premiums or promotion which may encourage a workingman to increase his skill and better his condition. (8) The limitation of output by every means in the power of the union, on the principle that if every man will do less there will be more for every other man to do.

WHY THE PUBLIC HAS LOST SYMPATHY WITH STRIKES

Charles W. Eliot

Public opinion is now tending strongly toward the acceptance of a few general principles as to the future conduct of the manufacturing industries on which civilization has come to depend; and it is a curious outcome of the World War that effective proofs of these principles have come out of that terrific catastrophe. The first principle is that capital and labor must co-operate fairly, instead of distrusting and opposing each other. To bring about this co-operation both capital and labor must come to a new frame of mind. Owners and managers must earnestly desire to improve the men and women they employ in respect to intelligence, knowledge of the business in which they are engaged, health, comfort, stability, and zeal in work; and labor must attain for visible reasons to a better state of mind about their liberty, their influence or control over their own personal and family lives, their responsibility for the success of the business that employs them, and their ardor and energy while at work.

Secondly, everybody realizes the necessity of new studies of the principal industries by the best experts obtainable, out of which may grow practical measures of reform. Many official and unofficial inquiries have been made into the real conditions of the principal industries during the last ten years, and still nobody can answer such questions as the following: Can the fundamental trades, like the carpenter's, mason's, plumber's, or tailor's, meet the needs of the American nation by working only eight hours a day, or can coal enough be mined for the households and industries of the whole people, if the miners work only six or seven hours a day, 305 days in the year?

Such ignorance seems at first extraordinary, but less so when one reflects that the needs or demands of the people have been rising rapidly of late years, and that all processes

in many industries have been revolutionized during the same period. Under such changing circumstances there is the utmost need of cautious experimentation on wages, hours, and workmen's habits, and all such experimentation should have the impartial, well-studied quality called scientific. Nothing but actual trial or promising experiment can dispel the prevailing ignorance.

Thirdly, it is now universally recognized that nobody—Government, corporation, or private person—can afford to pay even moderate wages for little work or bad work. Whoever perseveres in that course will sooner or later become bankrupt, the private manager first, and then the Government. Here comes in President Wilson's hope that "the workman will feel himself induced to put forth his best efforts." This is a moral or spiritual problem for the workers themselves to solve, with all possible aid from the rest of the people.

If strikes should be abandoned by labor, with all the accompanying apparatus of violence, would that mean that labor unions would cease to exist? By no means. The unions would retain many functions through which they have made themselves useful for many years. They would continue to advocate Government regulation of child labor and woman labor, the Old Testament law, "six days shalt thou labor and do all thy work," and equitable provisions against sickness, accident and premature disability. Labor unions would perform all the functions which professional societies perform so well for the benefit of their members and the community, the functions of the bar associations, the medical societies and the teachers' associations in large variety. They would continue to appeal to the public on all questions of general interest which arise between employers and employed, and would be able to increase greatly their means of publicity if they saved their expenditures on strikes. If they should give up action that rests on violence and the infliction of widespread suffering, they would make a much stronger appeal to the general good-will. Of course, they would need a new kind of leadership, for their present lead-

ers have grown up with the combat methods, and would doubtless find themselves wholly at a loss under the new policy of cooperation and goodwill.

Finally, it is not enough that every career should be open to talent, as Napoleon said. Every effort should also be made by parents, schools, foremen, inspectors, and managers to discover and help forward the talent. This policy is of the essence of democracy; the practice of it is one of the prime conditions of increasing beneficence all through democracy's future career. Democratic society must impart to the common people not only more freedom and better training than any other political and social organization has provided, but also more knowledge and skill in the manual crafts as well as in the liberal arts.

LATTER-DAY PROBLEMS

J. Lawrence Laughlin

Whatever the reasons, the fact is today unmistakable that the unions include only a small fraction of the total body of laborers. In spite of the proclaimed intention to include in a union each worker of every occupation, and then to federate all the unions, the unions contain far less than a majority of the working force of the country. To the present time, therefore, the practical policy of the unions has resulted in one of artificial monopoly; that is, not able to control the whole supply, the union attempts to fix a "union scale" and maintain only its own members at work. This situation, consequently, means always and inevitably the existence of non-union men, against whom warfare must be waged. Under this system high wages for some can be obtained only by the sacrifice of others outside the union. The economic means chosen by the unions, then, to gain higher wages are practicable only for a part of the labor body, and then only provided all other competitors can be driven from the field. The policy of artificial monopoly being the common principle of a great majority of unions, we may next briefly consider the inevitable consequences of such a policy.

1. The immediate corollary of the union policy is a warfare *à outrance* against the non-union men. This hostility against brother workers is excused on the ground that it is the only means of keeping up the "union scale" of wages. Although an artificial monopoly is unjust and selfish, and certain to end in failure, the unions have doggedly adhered to it so far as to create a code of ethics which justifies any act which will preserve the monopoly. This is the reason why a non-union man seeking work is regarded as a traitor to this class, when in reality he is a traitor to an insufficient economic principle. As a human being he has the same right to live and work as any other, whether a member of a union or not. The arrogance of unionism in ruling on the fundamentals of human liberty, the assumption of infalli-

bility and superiority to institutions which have been won only by centuries of political sacrifice and effort, is something supernal—something to be resented by every lover of liberty. Unionism, if unjust to other men, cannot stand.

2. Since the "union scale" of an artificial monopoly is clearly not the market rate of wages, the maintenance of the former can be perpetuated only by limiting the supply to the members of the union. The only means of keeping non-union men from competition is force. Consequently the inevitable outcome of the present policy of many labor organizations is lawlessness and an array of power against the state. Their policy being what it is, their purposes can be successfully carried out only by force, and by denying to outsiders the privileges of equality and liberty. Sometimes the means of enforcing their unenacted views is known as "peaceful picketing"; but this is only a mask for threats of violence. In fact, intimidation of all kinds up to actual murder has been employed to drive non-union competitors out of the labor market. Picketing, boycotts, breaking heads, slugging, murder,—all outrages against law and order, against a government of liberty and equality—are the necessary consequences of the existing beliefs of unionists, and they cannot gain their ends without them. So long as the unions adhere to their present principles so long will they be driven to defy the majesty of the law, and work to subvert a proper respect for the orderly conduct of government.

The dictum of a few men in a union has been set above the equality of men before the law. The union lays down an ethical proposition, and by its own agencies sets itself to apply it at any and all costs. This is a method of tyranny and not of liberty. The right of the humblest person to be protected in his life and property is the very cornerstone of free government. It means more for the weak than for the strong. Therefore the opinions of a loosely constituted body, representing a limited set of interests, should not—and will not—be allowed to assume a power greater than the political liberty for all, rich or poor, which has been a thousand years in the making. By the abuses of unionism there has been set up an *imperium in imperio*—one inconsistent with the

other. One or the other must give way. Which one it shall be no one can doubt. The dictum of rioters will never be allowed by modern society to eradicate the beneficent results which have issued from the long evolution of civil liberty. If the platforms of unions is opposed to the fundamentals of law and progress, it must yield to the inevitable and be reconstructed on correct principles of economics and justice.

3. The labor leaders, finding themselves opposed by the strong forces of society, have at times made use of politics. They have sought to influence executive action in their favor. Mayors of cities are under pressure not to use the police to maintain order when strikers are intimidating non-union men. More than that, since the presence of soldiers would secure safety from force to non-union workers, union leaders have urged governors, and even the President of the United States, to refrain from sending troops to points where disorderly strikes are in operation. Not only the police and the soldiery, but even the courts, when used to enforce the law as created by a majority of voters, have been conspicuously attacked as the enemies of "organized labor." The hostility of these agencies in truth is not toward labor, or its organization, but toward the perverse and misguided policy adopted by the labor leaders.

The entry of unions into politics, in general, is a sign of sound growth. It is, at least, a recognition that the only legitimate way of enforcing their opinions upon others is by getting them incorporated into law by constitutional means. And yet legislation in favor of special interests will be met by the demand of equal treatment for all other interests concerned; and in this arena the battle must be fought out. The unions will not have their way by any means. So far as concerns the rate of wages, in any event; political agitation and legislation can do little. The forces governing the demand and supply of labor are beyond the control of legislation. But other subjects of labor legislation have been introduced, as is well known, such as eight-hour laws, high wages for state employees, and demands for employment by the Government of only union men. All these efforts would

be largely unnecessary were the action of the unions founded on other principles than monopoly.

4. The difficulties arising from this incorrect policy of artificial monopoly of the labor supply have been felt by the unions, but they have not been assigned to their true cause. Believing in this theory, even though incorrect, they have gone on enforcing their demands by methods unrelated to the real causes at work. They have tried to strengthen their position by claiming a share in the ownership in the establishment in which they work, or a right of property in the product they produce, or a part in the business management of the concern which employs them. They have tried to say who shall be hired, who dismissed, where materials shall be bought, by whom goods shall be carried or sold, and the like. Their purpose is not always clear; but it seems to be a part of a plan to keep their employer at their mercy, and thus under the necessity of submitting to any and all demands as regards wages.

In this matter the unions cannot succeed. The very essence of a defined rate of wages is that the laborer contracts himself out of all risk. If the workman claims to be a partner in the commercial enterprise, asking in addition a part of the gains, he must also be willing to share the losses. This is obviously impossible for the ordinary workingman. Hard labor and narrow means go together. Capital can, labor cannot wait without serious loss. Laborers, therefore, cannot take the risks of ordinary industry and assume the familiar losses of business. This is the full and conclusive reason why the laborer contracts himself out of risk and accepts a definite rate of wages. If he does this, he is estopped, both morally and legally, from further proprietary claims on the product or on the establishment.

By way of resumé, it is to be seen that the attempt to increase the income of labor on the unionist principle of a limitation of competitors has led into an *impasse*, where further progress is blocked by the following evils:

1. The wrong to non-union men.
2. The defiance of the established order of society.
3. A futile resort to legislation.
4. The interference with the employer's management.

In contrast with the existing policy, which can end only in discouragement and failure, permit me, wholly in the interest of the membership of unions, to suggest another policy which will certainly end in higher wages and open a road to permanent progress for all working men. Instead of the principle of monopoly of competitors, I offer the principle of productivity or efficiency, as a basis on which the action of unions should be founded.

By productivity is meant the practical ability to add to the product turned out in any industry. The relative productivity of labor operates on its price just as does utility on the price of any staple article—improve the quality of it and you increase the demand for it. This general truth is nothing new. The purchaser of a horse will pay more for a good horse than for a poor one. Why? Because it yields more utility or satisfaction, to the purchaser. In the same way, if the utility of labor to the employer is increased, it will be more desired; that is, if the laborer yields more of that for which the employer hires—labor, the employer will pay more for it, on purely commercial grounds.

Now it happens that where productivity is low—that is, where men are generally unskilled—the supply is quite beyond the demand for that kind of labor. Productivity being given, supply regulates the price. Obviously, to escape from the thralldom of oversupply of labor in any given class, or occupation, the laborer must improve his efficiency. That is another way of saying that if he trains himself and acquires skill, he moves up into a higher and less crowded class of labor. The effect on wages is twofold: (1) he is now in a group where the supply is relatively less; and (2) his utility as a laborer to the employer is greater, and acts to increase the demand for his services. Productivity, therefore, is the one sure method of escape from depressing effects of wages on oversupply of labor.

It is unnecessary to describe in detail the forms by which productivity shows itself in the concrete. If the laborer is a teamster, he can improve his sobriety, punctuality, knowledge of horses, skill in driving, improved methods of loading and unloading, avoidance of delays, and in scrupu-

lous honesty. If, moreover, he studies his employer's business and consults his interest—instead of studying how to put him at a disadvantage, or instead of making work—he still further increases his productivity and value to his employer. In other occupations and in other grades of work the process is simple. In fact, it is the ordinary influence of skill on wages; and men have been acting on an understanding of it time out of mind.

To this suggestion it may be objected that the workman who makes himself more efficient receives no more from an employer than the less efficient; that employers treat all alike and are unwilling to recognize skill. The fact is doubted; for it is incredible that intelligent managers should be for any length of time blind to their own self-interest. But if they are thus blind, then we at once see how the unions can make legitimate use of their organized power by demanding higher wages for higher productivity. Such demands are sure to meet with success.

This method of raising wages, based on forces bringing about a lessened supply and an increased demand, shows a difference as wide as the poles from the existing artificial method of "bucking" against an over-supply by an ineffective monopoly. To a laborer who wishes higher wages the advantages of the former over the latter is so evident and so great that further illustration or emphasis on this point would be out of place. In the economic history of the last fifty or sixty years in the United States and Great Britain, it appears that money wages have risen by about fifty per cent for unskilled labor and to over one hundred per cent for higher grades of work, while the hours of labor per day have been lowered considerably. Moreover, this gain in money wages has been accompanied by a fall in the prices of many articles consumed by the laboring class. This fortunate outcome has gone on simultaneously with a progress in invention and in the industrial arts never before equalled in the history of the world, and it is a progress which has enabled the same labor and capital to turn out a greater number of units of product. In fact, the enlargement of the output has been such that each unit could be sold at a lower

price than ever before and yet the value of the total product of the industry has sufficed to pay the old return on capital and also to pay absolutely higher wages to the workmen for a less number of hours of labor per day. Indeed, one is inclined to believe that the gain in wages by the working classes in recent years has been due far more to this increased productivity of industry and much less to the demands of labor unions than has been generally supposed. The productivity method of raising wages has the advantage over the one in present use in that it gives a *quid pro quo*, and excites no antagonism on the part of the employer. A pressure by strikes to have productivity recognized must be successful, since an employer cannot afford the loss consequent upon hiring an inefficient workman. The insistence, as at present, on a uniform minimum rate of wages by process of terrorism, and without regard to the supply of possible competitors, cannot for a moment be considered in comparison with the hopeful and successful method through improved productivity. The one is outside, the other within, the control of any individual initiative.

Keeping these things in mind, those of us who would like to see a definite and permanent progress of the laboring classes believe that here the unions have a great opportunity. They must drop their dogged attempt to enforce a policy against the over-supply of labor by a futile monopoly; it is as useless and hopeless as to try to sweep back the sea with a broom. On the other hand, should the unions demand as conditions of admission definite tests of efficiency and character, and work strenuously to raise the level of their productivity, they would become limited bodies, composed of men of high skill and efficiency. The difficulty of supply would be conquered. A monopoly would be created, but it would be a natural and not an artificial one. The distinction between union and non-union men would no longer be settled by force. Thus the sympathy of the employers and the public would be transferred from the non-union, or unfit, to the union, or the fit men. If space were sufficient, interesting cases could be cited here of unions which have already caught sight of the truth, and greatly improved

their position thereby. This policy unmistakably opens the path of hope and progress for the future.

In contrast with the mistaken policy of the present, we may set down the different ways in which productivity would act upon the four evils enumerated at the end of the second part of our study :

1. The wrong to the non-union man would disappear. The rivalry of union and non-union men would no longer be the competition of equals, because the non-union, or inferior, men would be out of the competition for given kinds of work. There is no wrong to a non-union man, if he is excluded from work for inefficiency. The wrong today is that the union often shields numbers of incapables.

2. Since the unionists would represent skill, and the non-unionists lack of skill, there would be no need of force to hold the position of natural monopoly. The perpetual defiance of the law in order to terrorize non-union men would have no reason for its existence ; and the worst phase of unionism would disappear. Such a consummation alone would be worth infinite pains ; but if it should come in connection with a policy which is morally certain to improve the condition of the workmen, not to reach out for it is little short of crime.

3. As another consequence of the new principle the unionist would find himself and his comrades steadily gaining a higher standard of living without resort to the artificial methods of politics. Legislation would not be needed to fight against the results of the oversupply of labor. Like ordinary business men, the unionists would find their affairs peacefully settled in the arena of industry by permanent forces, and not in the uncertain strife of legislatures and political conventions in which they are likely to be outwitted by clever party leaders. And yet the workmen would retain in their organized unions the power to command justice from those employers who are unjust.

4. The new policy would insure community of interest between employer and employee. This objective is so important, it has been so outrageously ignored in countless labor struggles, that to attain it would almost be like the

millennium; and yet, instead of being moonshine, it is simply common sense. If the laborers knew and acted upon the fact that skill and good-will were reasons why employers could pay better wages, the whole face of the present situation would be changed. If it were objected that the unfair and grasping employer would pocket the surplus due to the improved efficiency of the laborers, it must be remembered that the unions still retain their power of collective bargaining. But, of course, the unions must not believe that demands can be made for advances of an unlimited kind far beyond the services rendered to production of any one agent, such as labor.

The new proposals would also completely remove the disastrous tendency to make work. If men obtained payment in proportion to their productivity, the greater the product the higher would be the wages; for this has been the reading of economic history, no matter how individuals here and there protest. Hence the result would be lower expenses of production, a fall in the prices of staple goods, and a generally increased welfare among those classes whose satisfactions have been increased.

Not only would the consumer be benefited, but the increased productivity of industry would enable the home producer to sell his goods cheaper in foreign markets. As things are going now, the hindrance to production and making work by unions are the serious influences now threatening to contract our foreign trade. The new policy proposed to the unions would therefore aid the United States in keeping its present advantages in the field of international competition.

While it has been impossible to discuss fully all the points which have arisen in the reader's mind, it must suffice to bring into bold contrast the present erroneous policy of the labor unions with the possible one of productivity. In a very true sense, the labor problem is a conflict between different grades of skill. Legitimate industrial success comes with the ability to use better than others the agencies of production. One reason why managerial power commands such high wages is that a highly capable leader in industry

receives returns not merely for the use of capital, but because he sees and grasps an opportunity where other men see nothing. No matter where a man begins in life, if he has skill, insight, foresight, judgment, knowledge of men, and managerial force, he will gain at least—if not more than—in proportion to his productivity. Therefore, if the unions wish to elevate their fellow-workers, instead of breaking the heads of non-union men, they should set a premium on industrial education. It ought to be as easy for a working man's child to become a skilled craftsman—a machinist, carpenter, mason, or bricklayer—in our public school system as it is to acquire geography and algebra. By eradicating industrial incapacity and substituting skill therefor, we should be increasing the wages of all classes, developing wealth in all forms, and enlarging the well-being of the whole nation.

TWELVE PRINCIPLES FOR THE GOVERNMENT OF INDUSTRIAL
RELATIONS

National Chamber of Commerce Committee

“Employers’ relations in American industry should accord with and express those ideals of justice, equality, and individual liberty which constitute the fundamentals of our national institutions. The terms of employment should conform to the essential requirements of economic law and sound business practice. They should, through intelligent co-operation, based on a recognition of mutuality of interest, conduce to higher productive efficiency. They should reflect in ever-increasing degree an effort to realize broad ideals of individual and social betterment.

“In Government and public service employment, the orderly administration of Government must be assured, and the paramount interest of the public protected. With these essential purposes in view, and conscious of the obligation of management to insure their observance and practical operation in industrial affairs, the Committee on Industrial Relations of the Chamber of Commerce of the United States of America states its belief in the following principles:

“1. Any person possesses the right to engage in any lawful business or occupation and to enter, individually or collectively, into any lawful contract, either as employer or employee. The rights are subject to limitation only through a valid exercise of public authority.

“2. The right of open shop operation, that is, the right of employer and employee to enter into and determine the conditions of employment relations with each other, is an essential part of the individual right of contract possessed by each of the parties.

“3. All men possess the equal right to associate voluntarily for the accomplishment of lawful purposes by lawful means. The association of men, whether employers, employees or others, for collective action or dealing, confers no

authority over, and must not deny any right of, those who do not desire to act or deal with them.

"4. The public welfare, the protection of the individual and employment relations require that associations or combinations of employers or employees, or both, must equally be subject to the authority of the State and legally responsible to others and that of their agents.

"5. To develop with due regard for the health, safety, and well-being of the individual, the required output of industry is the common social obligation of all engaged therein. The restrictions of productive effort or of output by either employer or employee for the purpose of creating an artificial scarcity of the product of labor is an injury to society.

"6. The wages of labor must come out of the product of industry and must be earned and measured by its contribution thereto. In order that the worker, in his own and the general interest, may develop his full productive capacity, and may thereby earn a wage sufficient to sustain him upon a proper standard of living, it is the duty of management to co-operate with him to secure continuous employment sufficient to his abilities, to furnish incentive and opportunity for improvement, to provide proper safeguards for his health and safety and to encourage him in all practicable and reasonable ways to increase the value of his productive effort.

"7. The number of hours in the work day or week in which the maximum output consistent with the health and well-being of the individual can be maintained in a given industry should be ascertained by careful study and should never be exceeded except in case of emergency, and one day of rest in seven, or its equivalent, should be provided. The reduction in working hours below such economic limit, in order to secure greater leisure for the individual, should be made only with full understanding and acceptance of the fact that it involves a commensurate loss in the earning power of the workers, a limitation and a shortage of the output of the industry and an increase in the cost of the

product, with all the necessary effect of these things upon the interests of the community and the nation.

"8. Adequate means, satisfactory both to the employer and his employees and voluntarily agreed to by them, should be provided for the discussion and adjustment of employment relations and the just and prompt settlement of all disputes that arise in the course of industrial operation.

"9. When, in the establishment or adjustment of employment relations, the employer and his employees do not deal individually, but by mutual consent, such dealing is conducted by either party through representatives, it is proper for the other party to ask that these representatives shall not be chosen or controlled by, or in such dealing in any degree represent, any outside group or interest in the questions at issue.

"10. The greatest measure of reward and well-being for both employer and employee and the full social value of their service must be sought in the successful conduct and full development of the particular industrial establishment in which they are associated. Intelligent and practical co-operation based upon a mutual recognition of this community of interest, constitutes the true basis of sound industrial relations.

"11. The State is sovereign and cannot tolerate a divided allegiance on the part of its servants. While the right of Government employees—national, state or municipal—to be heard and to secure consideration and just treatment must be amply safeguarded, the community welfare demands that no combination to prevent or impair the operation of the Government, or any Government function shall be permitted.

"12. In public service activities, the public interest and well-being must be the paramount and controlling consideration. The power of regulation and protection exercised by the State over the corporation should properly extend to the employees in so far as may be necessary to insure the adequate, continuous and unimpaired operation of public utility service."

NEGATIVE ARGUMENTS

CLOSED SHOP

W. D. P. Bliss, in *New Encyclopedia of Social Reform*

"The philosophy of the closed shop is based upon the belief that the welfare of the laboring classes is bound up with the device of collective bargaining, that the success of the expedient depends upon its universal application, and that no individual workman can be conceded rights that are inconsistent with the welfare of his class."

Advantages of Trade-Unionism.—Without attempting a thorough discussion of this subject, we present the following summary of the advantages of the trade-unions as cited in recent discussions of the closed shop.

The labor movement implies an orderly effort, not only to wrest concessions from the employer, but also to secure recognition from society. It is a movement which seeks to change the present standards by which the laborer's share in production is decided, and disputes the right of the employer alone to determine what fair treatment should be. It aims at industrial democracy and is in harmony with the world-wide tendency of the times.

The great consideration is to permit workmen to have a voice in the shop—to have control over the conditions of employment.

The trade-unions have achieved the gradual and steady increase of wages and the shortening of the working-day.

Trade-unions are coming to be recognized by employers as a permanent part of the industrial offer. In many trades in Great Britain the employers prefer to make terms with the trade-unions which shall apply to non-union workmen as well, rather than to make terms with each class separately. It is coming to be recognized as a good policy to deal with the same form of organization and more and more to make that organization responsible, so far as may be, for meeting

the obligations that are assumed by it for the workers in the trade it represents.

A well-organized union enables an employer easily to obtain efficient workmen; to make collective contracts, which are more satisfactory, cover a longer term, and more readily fulfilled than individual contracts; and it tends towards conservatism, and thus lessens the liability of strikes.

To seek to destroy unions because of their defects would be like attempting to abolish government because of its abuses. The unions with all their faults represent a forward stride of the human race. They cultivate a spirit of self-reliance and mutual assistance which ought to more than compensate for their faults.

As the unions become stronger and gain in experience, they tend to conservatism. The hard and stern conditions confronting them can be relied upon to keep them within bounds.

Union and Non-Union Employees.—The reasons why union men refuse to work in the same shop with non-union men, and which are at the root of the contention for the closed shop, may be summarized as follows:

A shop with union and non-union men is like a house divided against itself. There is a constant attempt to organize it entirely, an incessant struggle to disorganize it completely.

While accepting the union scale of wages when work is plentiful the non-unionist will immediately lower wages as soon as work becomes more difficult to obtain.

It is easy to speak of the open shop in which the employer does not care whether his men are union men or not. But the union cannot accomplish its most important objects unless the employer deals with it as a union. The employer cannot be made to enter into a collective bargain—and without the collective bargain the conditions of labor are hardly fixed by bargaining at all—unless the union comprises practically all the men he wishes to employ.

Non-Union Workers.—Much attention is given in the arguments of trade-unionists to the character of the men who

do not join the unions, with the view of showing that much sympathy is misplaced when bestowed upon these workers, who as alleged, are deprived of their liberty to contract for employment.

Some refuse to join because of intolerable conditions existing in a union. It is maintained, however, that when such conditions exist the abuses should be prevented by action within rather than without or against the organization.

Another reason given for not joining unions is because of strong but mistaken ideals of persons who believe in individual action, the right of every man to do as he will, no matter how it may affect his neighbor. This policy, it is maintained, is not practicable in a civilized community.

Another class of non-union workers, it is maintained, consists of persons who, purely through selfish motives, seek to share all the advantages secured by the sacrifices of the trade-unionists without bearing any of the burdens or incurring any of the risks.

Lastly, there is said to be a class of professional strike-breakers. These, it is claimed, are either dishonorably discharged unionists or they belong to the class of criminals, idlers, and incompetents who are only willing to work or to make a pretense of working in order to defeat the ends of honest working men.

The Legal Right.—It is contended by trade-unionists that in their action for securing the closed shop they are doing nothing but what is lawful.

As free citizens the wage-earners have the right to work or refuse to work, to maintain certain demands for their welfare, and to strike if the demands are not granted. An employee has the right to say that he will sell his labor on condition that he is not to work with obnoxious persons. In like manner, laborers can combine to sell their labor collectively and on the same terms. They do not deny the right of employment to non-unionists, but simply refuse to work with them.

The union workmen who refuse to work with non-unionists do not say in so many words that the employer shall

not engage non-union workers. The dictum of the trade-union is not equivalent to an act of Congress or of a state legislature prohibiting employers from engaging non-union men. What the unionists in such cases do is merely to stipulate as a condition that they shall not be obliged to work with men who, as non-unionists, are obnoxious, just as they shall not be obliged to work in a dangerous or unsanitary factory, for undue hours, or at insufficient wages.

The Moral Right.—The trade-unionists claim that they are not only legally but also morally justified in refusing to work with non-union men.

Society makes right that which will accomplish the most good for its members as a body.

If it is wrong to ostracize or refuse to associate with craftsmen who are indifferent to their common welfare, then it is equally wrong for professional men to shun others of their calling accused of unprofessional conduct, and it is wrong for merchants to taboo other tradesmen who disregard the ethics of their business.

In modern industry working men do not act as individuals contracting with employers. The workingman of today belongs to a group and, whether he will or not, acts with his group and is treated like others of his group. He works the time worked by the others, receives the wages paid the others of his class, and obeys the regulations made for his group. What affects one of his class affects all.

Just as the individual owes a duty to society, so also, tho in a less degree, he owes a duty to his class. The non-unionist has no moral right to seek his own temporary advantage at the expense of the permanent interests of all working men.

If the union has a right to exist, which is no longer denied, it has a right to insist on those conditions which are necessary to its existence; and it cannot exist if non-union men are permitted to take the jobs of union men.

THE CLOSED SHOP

John Ryan, in *The Church and Socialism and Other Essays*

This phrase [the closed shop] refers to the unionist policy of refusing to work with non-unionists. The "shop," that is to say, any establishment in which the union has got a foothold, is to me "closed" to all except the union's members, not "open" to all comers. The union wishes to organize all workers in a trade, so that it will be in a better position to bargain with the employer. If this motive is not justifiable, the unionists, it is evident, sin against charity by attempting such compulsion toward their fellow-laborers. They offend against the rule which requires men to do unto others as they would be done by—to treat one another as brothers. The unionist maintains that the ends that he seeks to attain are amply sufficient to justify the policy of the "closed shop." Workingmen who refuse to join the union and yet work side by side with its members share the advantages that the union makes possible. They desire to reap what they have not sown. They, furthermore, frequently render impossible collective bargains between the union on one side and the employer on the other, because they are not amenable to union discipline. It is not fair that the union should be held responsible for the fidelity of men over whom it can have no effective control. Finally, the "open shop" is impossible, since it tends inevitably to become either all union or all non-union. There is constant bickering and ill feeling between the two classes, and, worst of all, the non-unionist too frequently allows the employer to use him as a lever to lower the conditions of the whole establishment or group. In a word, the demand that all shall join the union is made in the interest of self-protection. Now any one of these reasons would sometimes be sufficient to absolve the union from uncharitableness in its policy of the "closed shop." To what extent they are realized in the industrial world need not now be discussed, but it seems quite probable that one or more of them finds occasional application. We may say

in a general way that the cause of unionism, which is the cause of labor, renders more or less necessary the organization of all workers. Still less does the method in question seem to be contrary to justice. Neither employer nor non-unionist can show that any right of his is violated by the mere fact that the unionist refuses to work with the latter. Where the union is very strong, it is quite possible that this action will deprive the non-unionist of all opportunity of working, and consequently of earning a living. If, indeed, the refusal of the unionist were absolute—if he were to say to the non-unionist: "In no circumstances will I work with you," he would undoubtedly sin against justice. He would violate the non-unionists' right to live from the bounty of the earth, just as truly and effectively as the owner of an island who should drive a shipwrecked voyager into the sea. As a matter of fact, the unionist does nothing of this kind; his refusal is conditional; he says in effect that if the non-unionist will not join the organization he shall not work, but this condition is sometimes reasonable. Then, even though the closed shop policy should deprive the non-unionist of all opportunity to work, the blame, so far as justice is concerned, should be placed on his own perverse will.

These are the general conclusions. They are evidently subject to some qualifications. For there are laborers whose unwillingness to join the union is due to weighty reasons of personal inconvenience, and not merely to a selfish desire to escape the burdens of unionism or to compete unfairly with the unionist. Again, it seems probable that many of the unions, as at present constituted and led, cannot be trusted to administer moderately and equitably the immense power that comes from complete unionization. This, however, is a question more of expediency than of rights. Undoubtedly the employer has the right to oppose the "closed shop" so long as his action does not tend to force unjust conditions upon the laborer. Within the same limits the non-unionist has the right to keep himself aloof from the organization. The rights of all three, the employer, the non-unionist and the unionist, in this matter are not absolute, like the right

to live, but are conditioned, first, by the consent of the other party whom it is desired to bring into the contract, and second, by the effects that the intended action will have on the rights of others. These several rights have of late been the subject of much loose thinking and looser speaking. The legal and moral rights of the non-unionist have been hopelessly confused. But, as John Mitchell pointed out a few years ago, the question is not legal but ethical; for there is no law on our statute books which forbids unionists to refuse to work with non-unionists, or to attempt by peaceable means to unionize any shop or trade. "The rights guaranteed to the non-unionist by the Constitution," which are so indignantly and patriotically proclaimed, have absolutely nothing to do with the question. Some of the attempts to set forth the moral rights involved are equally absurd. Very decidedly, the non-unionist has not the right to work when, where, how and for whom he pleases, and even if he had, it would not give him the right to compel the unionist to work beside him. A man has no more right to work when, where, how and for whom he pleases than he has to fire off his pistol when, where, how and at whom he pleases. No man has "a right to do what he pleases with his own"—neither with his life, nor his faculties, nor his property, nor his labor, nor anything that is his. The non-unionist has no right to work for John Jones if the latter does not wish to hire him, nor, in general, to work in any circumstances involving the consent of others without having first obtained such consent. If one were to take seriously some of the hysterical denunciations of the "closed shop," one might be tempted to infer that this policy was entirely new to the world, and in defiance of all the lessons and precedents of history. The truth is that it was enforced for centuries by the trade and craft guilds throughout western Europe. Speaking of the charters obtained by the English craft guilds from Henry II, Ashley says: "The only definite provision was that no one within the town (sometimes within the district) should follow the craft unless he belonged to the guild. The right to force all other craftsmen to join the organization—*Zunft*—

zwang, as the German writers call it—carried with it the right to impose conditions, to exercise some sort of supervision over those who joined” (“English Economic History,” vol. i, p. 82). Imagine a modern labor union, say the Amalgamated Association of Street Railway Workers, clothed with this legal privilege! The non-unionist would be prevented not merely by the refusal of the unionist to work with him, but by the law of the land, from securing employment on any street railway in the country unless he became a member of the union. Yet this was the arrangement that arose and flourished under the guidance and encouragement of the Catholic Church. And it was right. In those days men believed in the reign of law, in the doctrine of live and let live, in security of occupation for the honest worker, in preventing the selfish and irresponsible worker from injuring his fellows; and they knew nothing of the insane individualism that ends logically in the crushing out of the weak and the aggrandizement of the strong.

ECONOMIC NECESSITY OF TRADE-UNIONISM

John Mitchell, in *Atlantic Monthly*, February, 1914

Those who declare themselves to be in favor of trade-unionism in the abstract but opposed to it in the concrete, are not unlike the western farmer who announced that he was unreservedly in favor of the construction of railroads but unalterably opposed to the running of trains. Trade-unions were formed for a definite purpose; they have well-defined policies and methods of procedure; they are great, democratic institutions administered by practical men who are earnestly and successfully striving for the amelioration of the conditions of the poor.

In its fundamental principle, trade-unionism is a recognition of the fact that under modern industrial conditions the individual unorganized workman cannot bargain advantageously with the employer for the sale of his labor. Since the workingman has little or no money in reserve and must sell his labor immediately; since, moreover, he has no knowledge of the market and no skill in bargaining; since, finally, he has only his own labor to sell while the employer engages hundreds or even thousands of men and can easily do without the services of any one of them, the workingman, if bargaining on his own account and for himself alone, is at an enormous disadvantage. Trade-unionism recognizes the fact that under such conditions the workman becomes more and more hopeless, because the labor which he sells, unlike other commodities, is a thing which is of his very life and soul and being.

In the individual contract between a powerful employer and a single workman the laborer secures the worst of the bargain. He is progressively debased because of wages insufficient to buy nourishing food, because of hours of labor too long to permit sufficient rest, because of conditions of work destructive of moral, mental, and physical health; and, finally, because of danger from accident and disease, which kill off the workingman or prematurely age him. The indi-

vidual bargain or individual contract between employer and workmen means that the condition of the economically weakest man in the industry is often that which the average man must accept. Therefore, there can be no permanent prosperity to the wage-earners, no real, lasting progress, no consecutive improvement in conditions until the principle is firmly and fully established that in industrial life, especially in enterprises on a large scale, the settlement of wages, hours of labor, and all essential conditions of work, shall be made between employers and workingmen collectively, and not between employers and workingmen individually.

The policy of collective bargaining as advocated by the unions recognizes and teaches the interdependence of labor and capital. It is the bridge which spans the gulf which modern industrialism has created between the workman and the employer. It is only necessary to attend a joint conference between the representatives of any of the great trade-unions and the representatives of employers or employers' associations, when wage-agreements are under discussion, to be convinced that there are no more antagonisms engendered, and no more ill feeling displayed, than there are between any other groups of men meeting in conference for the purpose of buying and disposing of a commodity which one must have and the others must sell.

The organized workingman, as a rule, is not hostile to the employer of labor; he does not entertain any feelings of hatred against the man who has honorably acquired wealth. The workingman understands full well that his wages must come from the earnings of industry, therefore he is interested in the successful conduct of industry. In common with many other good citizens he may fear that there is some danger to society, and to the institutions of our country, in the possession of enormous wealth by a few men, and he regards as immoral the acquirement of wealth through the payment of less than living wages and the imposition of unjust conditions of employment.

It is true that in their wage-conferences the employers and the organized workmen are not always able to agree,

and that strikes and lockouts occur in trades and industries in which the workers are not organized. Indeed, many of the most bitterly contested strikes of which we have any record have been inaugurated and conducted by non-union men. Fresh in the memories of all are the reports of the scenes attending strikes of non-unionists at McKees Rocks and Bethlehem, Pennsylvania, at Paterson, New Jersey, and at Lawrence, Massachusetts. If one desires to learn the truth in regard to the causes which make for class hatreds, let him mingle with the non-union workmen employed in some of our great industries. These workmen, denied by their employers the right of organization, compelled to work long hours for low wages, frequently hate their employers with an intensity which results in scenes of turmoil and disorder when strikes take place.

Trade-unions strive for peace based upon industrial righteousness. A strike, nevertheless, is of itself neither illegal nor immoral. On the contrary, a strike may be and often is a manifestation of a wholesome, yea, even a divine, discontent. Said Abraham Lincoln, in a speech delivered at Hartford, Connecticut, in 1860, "Thank God, we have a system of labor where there can be a strike. Whatever the pressure, there is a point where the workingman may stop."

Our courts have declared repeatedly that workingmen have a legal right to organize in trade-unions, that they have a legal right to strike for higher wages, for shorter hours, for better conditions of life and labor, indeed, for any reason that seems sufficient to them. It has been held by the courts that union workingmen have a legal right to refuse to work with non-union men. There has been no decision in any suit instituted under the Sherman Anti-Trust law which would justify the opinion that an organization of workingmen, even if it embraced every man employed at the trade, is an unlawful monopoly. It is true that the United States Supreme Court has decided, in the Danbury Hatters' case, that labor-unions are not exempt from the provisions of this law. It is also true that, in a suit for damages instituted under the provisions of the Sherman Anti-Trust

law, judgment was rendered against certain members of the Hatters' Union by a court in Connecticut. This case, however, is still in the courts, and even should the United States Supreme Court sustain the decision of the trial court, that action would not, by any process of reasoning, justify the contention that a labor-union is a combination or conspiracy in restraint of trade. The issue involved in this particular case is not the right of men to organize in trade-unions or to strike for higher wages. The allegation of the plaintiff, one Loewe, a hat manufacturer, was that through the instrumentality of a secondary boycott, he had suffered large losses, and the claim was that he was entitled to damages.

It is not the purpose of this article to criticise the conclusions of the Supreme Court; nevertheless there exists in the minds of many an opinion that the Sherman Anti-Trust law was never intended to apply to organizations of labor or to other associations having no capital stock, not dealing in the products of labor, and not organized for profit. Moreover, there is much substantial evidence to justify the opinion that members of Congress in voting for the passage of the Sherman Anti-Trust law did so with the understanding that labor organizations formed for the purpose of improving the conditions of employment were exempt from its provisions and its penalties.

When this statute was under consideration in Congress, in 1890, it contained a section declaring that the organizations of working people instituted for the purpose of regulating wages, hours of labor, and conditions of employment, should not come under the operation of the proposed law. When this section was afterward reported back and was again being considered by the Senate, Senators Hoar, George, Blain, Sherman, and others gave assurance to the representatives of labor that it was not necessary specifically to except labor organizations, as they were not intended to come under the provisions of the law and were not included in them. In view of these assurances, it is not difficult to understand that many were surprised and disappointed when, twenty years later, the Supreme Court decided that labor-unions might be

sued under the provisions of the Sherman Anti-Trust law. If it eventually should be held that labor-unions, as such, are monopolies in restraint of trade and thus subject to dissolution by order of the court, no greater disaster to the orderly, rational, and constructive development and progress of the wage-earning masses will have occurred.

It is not contended by trade-unionists that they should be immune from prosecution for the commission of unlawful acts. They recognize, of course, that they stand before the law with exactly the same responsibilities that attach to all citizens. What they contend is that the voluntary association of labor, formed for the sole purpose of protecting the wage-earning toilers, shall not be legally designated as monopolies in restraint of trade, and thus be made liable to the penalty of dissolution. That the possibility of such an interpretation of the law has presented itself to the organized wage-earners, there can be no doubt.

That statesmen of the highest standing, in harmony with and responding to the humanitarian sentiment prevailing among men and women in every walk of life, recognize the necessity of differentiating between combinations organized to control the necessities of life and organizations formed for the purpose of defending and promoting the interests of the wage-earners, is evidenced by the fact that, in the closing days of the Sixty-second Congress, a Democratic House of Representatives and a Republican Senate inserted in the Sundry Civil Appropriation Bill a proviso that no part of the money appropriated by a certain section of that bill should be expended by the government in prosecuting any organization of individuals for entering into a combination or agreement having in view the increasing of wages, shortening of hours, or bettering the conditions of labor, or for any act not in itself unlawfully done in furtherance thereof. True, this appropriation bill was vetoed by President Taft, but it was again enacted by an overwhelming majority in both houses of the present Congress, and it has been signed by President Wilson.

As further evidence of the justice of labor's claim that trade-unions should not be regarded as monopolies in re-

straint of trade, the Democratic platforms of 1908 and 1912 declared:

"The expanding organization of industry makes it essential that there should be no abridgment of the right of wage-earners and producers to organize for the protection of wages and the improvement of labor conditions, to the end that such labor organizations and their members should not be regarded as illegal combinations in restraint of trade."

In the platform of the National Progressive Party (1912) we find these words:

"We favor the organization of the workers, men and women, as means of protecting their interests and of promoting their progress."

It will thus be seen that two of the great political organizations have recognized the importance and the necessity of differentiating between organizations of labor formed for the purpose of improving the conditions of the toilers, and combinations of capital formed for the purpose of making profit. The Democratic and Progressive parties combined polled 10,486,600 votes; the Republican party, which made no favorable declaration on this subject, polled 3,484,980 votes. In other words, 75 per cent of the voters registered their approval of labor's position—that labor unions should not be legally proscribed as monopolies or combinations in restraint of trade. Any failure on the part of the present federal administration and Congress specifically to except labor-unions from the provisions and penalties of the Sherman Anti-Trust law will be a repudiation of a solemn pledge contained in these platform declarations.

But it was suggested by Professor Laughlin that, "Any law which would except labor-unions from the provisions of the act would be unconstitutional, and could not stand." This statement belongs in the category of things that are important if true. It is based upon the assumption that an anti-trust law which excepted labor organizations from its provisions would be class legislation. However, the history of legislation does not sustain this contention. Congress and the state legislatures frequently have enacted special legis-

lation. There is, of course, a difference between class legislation and special legislation. If a law were to provide that some labor-unions should be excluded from its operation and others included in it, that would probably be class legislation and therefore unconstitutional. If, however, a law should provide that all labor-unions and other associations organized not for profit, and not dealing in the products of labor, should be exempt from its operation, there would be no doubt of its constitutionality.

As a case in point, it will be remembered that the Payne tariff bill of 1909, which imposed a tax on corporations, contained the following provision:

"Provided, however, that nothing in this section contained shall apply to labor, agricultural, or horticultural organizations, or to fraternal beneficiary societies, orders, or associations operating under the lodge system, and providing for the payment of life, sick, accident, and other benefits to the members of such societies, orders, or associations, and dependents of such members, nor to domestic building and loan associations, organized and operated exclusively for the mutual benefit of their members, no part of the net income of which inures to the benefit of any private stockholder or individual."

When, in the case of *Flint vs. Stone, Tracy & Co.*, the question of the constitutionality of this law was carried to the Supreme Court on the issue of the validity of the provision excluding labor and other organizations from the corporation tax, the court upheld the constitutionality of the measure.

If further arguments were necessary to sustain the opinion of those who hold that there are no constitutional difficulties in the way of legislation excepting labor organizations and associations of farmers from the provisions of the Sherman Anti-Trust law, attention could be called to the fact that the Underwood Tariff act with its income tax provisions, enacted by the present Congress, contains exceptions in exactly the same language and referring to the same organizations as the corporation tax act of 1909.

On the ground that it relates to the subject of taxation and therefore has little bearing upon the question at issue, namely the exemption of voluntary associations of labor from the provisions of the Anti-Trust law, it may be suggested that the precedent set by this federal legislation is not conclusive. However, there are many state laws and court decisions which support the contention that laws need not, in order to be constitutional, apply alike to all citizens or to all associations of citizens. In the case of *Holden vs. Handy* the Supreme Court of the United States sustained a law enacted by the legislature of Utah prohibiting the employment of miners for more than eight hours in any one day. This statute applied exclusively to men working in the mines, no other workmen being included in its provisions. The Supreme Court of the United States upheld the law enacted in Oregon prohibiting the employment of women for more than ten hours in any one day. This statute does not apply to all women workers. The highest courts of the State of Massachusetts and the highest courts in several other states have sustained laws providing compensation for workmen who are injured in the course of their employment, even when these laws exclude specifically from their provisions agricultural laborers and domestic servants.

Quite apart, however, from constitutional and legal considerations, it must be obvious to all thoughtful men and women, especially those who are familiar with the struggles of the wage-earning masses for more humane conditions of employment, for better living opportunities, that it would be ethically wrong to consider labor and the products of labor as though they were one and the same thing. It must be clear that associations formed for the sole purpose of protecting and promoting the welfare of the men and women and children who labor should not be placed by the law in the same category with monopolies or combinations organized for profit, and be condemned as unlawful conspiracies in restraint of trade.

"Organizations of labor," says Samuel Gompers, president of the American Federation of Labor, "have their origin in

human need, they seek human welfare and betterment, they have to do with human labor power. Capitalistic monopolies have their origin in desire for great profit, they seek economic control and the elimination of competitive rivals, they deal in material things—the products of labor, wealth. Between wealth and labor there is a vital and fundamental difference, an understanding of which is essential to those upon whom falls the responsibility of dealing with matters influencing the freedom of men. Wealth consists of material things which are external, useful, and appropriable. Wealth is that which a man has, not what he is. To classify skill, knowledge, labor power as wealth is an error that has crept into the thinking of some economists and political scientists. It is an error conducive to grave injury to the working people. These attainments or attributes are not possessions of the individual, they are the individual and cannot be separated from personality. Cultivation of powers and ability increases and enriches the resourcefulness and efficiency of the individual, but these things are subjective and immaterial and are not in themselves wealth. The individual may be able and powerful, and therefore fortunate, but it does not necessarily follow therefrom that he is wealthy. The wealth which he may produce is separate and distinct from himself. It follows then that to apply to voluntary associations of working people (commonly called labor organizations), which are concerned with individuals and their powers, the same regulations that are applied to organizations manipulating the products of labor, would lead to mischievous results and perversion of justice.”

Perhaps the most serious charge brought against the voluntary associations of labor by Professor Laughlin is that higher wages are responsible largely for the high prices which consumers are now required to pay for what they buy. He says, “There is no question whatever in my mind that the rise of prices of almost all articles of general consumption during the last decade or two has been due, as much as to any one thing else, to the rise in money wages paid for the same, or even less, labor effort.” There is a strange and unusual contradiction of what is almost uni-

formly asserted by leading economists, nearly all of whom hold that the world-wide movement of increased prices is due primarily and principally to the increase in the extraordinary production of gold during the past sixteen years. No doubt the increase in the cost of food-products in the United States is additionally accounted for by the fact that the growth of city population, both in the aggregate and in proportion, has been much greater than the growth of agricultural population. It is not denied that increased wages may and often do add to the cost of production, but that the world-wide movement of increased prices and higher cost of living is chargeable in any considerable degree to higher wages and "less labor effort" is unthinkable and unbelievable.

It is a matter of common knowledge that prices on practically all articles generally used have risen in every country in the world. They have risen in countries in which there are no organizations of labor; they have risen in countries in which there are no organizations of labor having sufficient numbers or strength to influence wages or increase the cost of production. Prices have risen in every part of the United States and have affected commodities in the production of which union labor is not engaged and in which wages have not advanced. As a matter of fact, the articles of general consumption which are shown by the reports of the United States government to have increased in price to the greatest extent—such as flour, meats, potatoes, butter, eggs—are all commodities in the production of which union labor has little or no part, and therefore the organizations of labor have no direct influence upon the wages of workers employed in the production or distribution (except in respect to railway transportation, which I shall touch upon later) of such articles.

For illustration, let us consider meats. From the time the animal is born, through all the processes, until it is delivered, ready for use at the kitchen door, not a hand touches it or influences its cost that is controlled by an organized workman. Again, follow a sack of flour from the wheatfields of the northwest to the rolling pin of the housewife—no organ-

ized workman "levies tribute" upon it as it proceeds from the farmer to the consumer. And so it is with practically all food products; from the very beginning, as they find their devious ways from the farm through the factory to the merchant and to the home of the consumer, no organization of labor affects their cost or controls the price at which they shall be sold.

But even if it were true that the higher wages secured for labor through the instrumentality of the trade-unions is responsible for the increase in the cost of living, that fact would not justify their condemnation, nor would it sustain the claim that from an economic standpoint the increased wages secured during the past two decades have not benefited the recipients of these increased wages because there has been a corresponding increase in the cost of living. If workmen are not benefited by increased wages because there is a corresponding increase in the cost of living, then it must follow as a matter of course that workingmen would suffer no injury, that there would be no lowering of their standard of living, if wages were reduced. The fallacy of this reasoning is that it fails to take into account the fact that to increase wages does not always increase the cost of production, since, among other reasons, the workingman becomes more efficient when he is better paid, better fed, better clothed, and better housed.

In many industries, prices have little to do with wages, but are arbitrarily fixed at a monopoly figure and remain the same whether wages are high or low. For illustration, steel rails are quoted at the same price per ton now as when the employees of the steel companies received ten per cent less wages; newspapers and magazines are cheaper now than they were when employees in the printing trades received much lower wages than they do today. In the matter of the number of persons employed, railroading is the greatest industry in the United States. Practically all men engaged in the transportation service, and a majority of those engaged in the shops of the railroads, are members of trade-unions. The wages of all railway employees have advanced substantially and repeatedly during the past twenty years,

yet during this period the charge to shippers for hauling freight has been reduced 17.5 per cent per ton per mile. Passenger rates are 6.3 per cent less now than they were twenty years ago. Therefore, while the cost of transportation is a vitally important element in fixing the value of every commodity purchased or used by the people, yet this cost has not been increased—on the contrary it has been reduced—notwithstanding the fact that during the past twenty years the average wages of railway employees have advanced 28.77 per cent.

Moreover, if we agree that higher wages have increased the cost of production, the fact still remains that the increase in the cost of the articles produced is never in proportion to the rise in wages. The cost of many of the materials, ground rent, the interest on capital; taxes, royalties, the cost of supervision, are not necessarily affected by an increase in wages to the workmen. Again, if the employer receives, as he often does, exorbitant profits, it would not necessarily increase the cost to the consumer if a part of these exorbitant profits were paid in wages to the workmen. Furthermore, workingmen do not consume all the articles they produce, and an increase in the wages of men making grand pianos, or of weavers of fine carpets, or of fifty-seven other varieties of articles used exclusively by the rich or the well-to-do, does not in any way affect the purchasing power of the money in the ordinary workingman's envelope.

In his attempt to demonstrate that an advance in money wages is of no value to the workman and to prove that increased wages paid to labor are responsible for the increase in the cost of products, Professor Laughlin says, "In the expense of producing raw materials such as coal, ore, wool, and the like, into whose processes labor enters more largely than machinery, the general rise of wages raises out of all proportion the prices of materials from which finished goods are made." An analysis of this statement will prove interesting and illuminating. In the raising of wool and in the production of wool no union men are employed, and very few union men are employed in the manufacture of woollen goods; the organization of metalliferous miners is confined

largely to the production of copper and gold; therefore wool and ore may be eliminated from consideration. In the production of coal, however, union men are engaged. In fact, in the mines of practically every important coal-producing state, with the exception of West Virginia, Alabama, and Colorado, union labor is employed almost exclusively. This has not always been so. Prior to 1897 unrestricted competition of labor—that is, non-unionism—prevailed in the coal-producing industry. In 1896, when there was little or no organization among the coal miners, the average market price of bituminous coal loaded on railway cars at the mines was 83 cents per ton; the average price paid to miners for producing a ton of screened coal was 45 cents. Sixteen years later—that is, in 1912—at a time when the mines had become strongly organized, the average market price of bituminous coal loaded on the railway cars at the mines was \$1.15 per ton; the average price paid to miners for producing a ton of screened coal was \$1.00. The significance of these figures is that while wages paid to miners for mining a ton of coal during the period from 1896 to 1912 have advanced 122 per cent, the price received by the mine-owners has advanced only 38.5 per cent. Therefore, it cannot be true that even in an industry in which wages are the principal element of cost in production, an advance in wages “raises out of all proportion the prices of materials from which finished goods are made.”

Moreover, the material benefits which have come to the miners as a result of trade-union effort are not all represented by the increased wages received for mining a ton of coal. In the year 1896 the average production of the bituminous coal-miners of the United States was 2.94 tons per man per working day; in the year 1912 the average production of the bituminous coal-miners of the United States 3.68 tons per man per working day. In 1896 ten hours was the length of the working day, whereas in 1912 the eight-hour day prevailed. It will thus be seen that the income of the bituminous coal-miners has increased more than is represented by the advance in the schedule of rates for mining coal.

But what is more important, these increased wages and shorter hours of labor have wrought a tremendous change in the intellectual and moral as well as in the physical lives of the mine-workers. They are no longer, as they once were, a poverty-stricken, hopeless, despairing people. They are men; men whose outlook upon life is that of hope, of cheer, of intelligent, constructive discontent. And the experience of the miners is typical of that of all workmen. Low wages, long hours, evil conditions of employment—the inevitable results of unrestricted competition in labor—mean the degredation of the workers, the abandonment of hope, the deadening of the finer senses, the survival of the strongest, the destruction of the laboring classes.

Unrestricted competition of labor—that is, non-unionism—finds its natural and inevitable sequence in the sweat-shop and the slum; it finds its logical expression at Lawrence, at Paterson, at McKees Rocks, at Bethlehem, and in the mining fields of West Virginia. Unrestricted competition is portrayed by Millet, and depicted by Markham in “The Man With the Hoe.”

Notwithstanding the splendid work and great achievements of the organized wage-earners in protecting those in our social and industrial life who are least able to protect themselves, efforts are constantly being made to discredit and destroy the trade-unions. Open foes and professing friends alike have sought their undoing, the former by siege or assault, the latter by insidious attempts to divert them from the course they have pursued successfully. And yet every year the unions grow in strength, in numbers, and in influence; they grow in the affections of the wage-earners; they grow in the respect of fair-minded employers; they grow in the esteem of right-thinking men and women everywhere.

The critics of trade-union policy have suggested that the employer “introduce into his shops carefully worked-out plans for helping the operatives to rise in life, to better conditions by welfare work;” on the contrary, I wish to commend every employer who undertakes *at his own expense* to

improve and make more pleasant and wholesome the conditions under which his employees work. Welfare work, however, is not a substitute for wages. If the employer desires to supplement the wages agreed to between himself and the union, such action is not inimical to trade-unionism, and may be of great value to all concerned; but the workingmen will not be lured by any device from their allegiance to trade-unionism, they will not accept welfare work or profit-sharing in lieu of just wages and the right to organize; they will and should depend upon themselves and their trade-unions as the means through which to work out their economic salvation.

